

CALIFORNIA WOMEN'S LAW CENTER
FINANCIAL STATEMENTS
JUNE 30, 2022



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INDEPENDENT AUDITOR'S REPORT

Board of Directors
California Women's Law Center
El Segundo, California

Opinion

We have audited the accompanying financial statements of California Women's Law Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of California Women's Law Center as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of California Women's Law Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about California Women's Law Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of California Women's Law Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about California Women's Law Center's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



BODEN KLEIN & SNEESBY
Certified Public Accountants
Roseville, California

January 4, 2023

CALIFORNIA WOMEN'S LAW CENTER

Statement of Financial Position

June 30, 2022

ASSETS

Current assets:	
Cash	\$ 820,091
Investments	2,750,146
Receivables	33,193
Prepaid expenses	<u>12,556</u>
Total current assets	<u>3,615,986</u>
Property and equipment:	
Office equipment	65,339
Office furniture	<u>9,292</u>
Total property and equipment	74,631
Less: accumulated depreciation	<u>69,096</u>
Property and equipment, net	<u>5,535</u>
Other assets:	
Deposits	<u>4,474</u>
TOTAL ASSETS	<u>\$ 3,625,995</u>

LIABILITIES AND NET ASSETS

Current liabilities:	
Accounts payable	\$ 1,725
Accrued expenses	355
Deferred revenue	337,120
Deferred rent liability	<u>1,143</u>
Total current liabilities	340,343
Net assets:	
Without donor restrictions	<u>3,285,652</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,625,995</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Activities

For the Year Ended June 30, 2022

Support and revenues:

Contributions - IOLTA/Equal Access	\$ 514,844
Contributions - individuals and corporations	40,386
Private grants	14,685
Government grants	78,090
Fundraising events, net of \$37,826 of direct costs	181,445
Donated in-kind legal services	459,156
Special award	4,613
Court awarded fees	35,300
Realized loss on investments	(329)
Unrealized loss on investments, net	(526,859)
Interest income	75,177
	<u>876,508</u>
Total support and revenues	<u>876,508</u>

Expenses:

Program services	1,058,266
Supporting services	74,255
Fundraising	68,191
	<u>1,200,712</u>
Total expenses	<u>1,200,712</u>

Change in net assets	(324,204)
Net assets, July 1, 2021	<u>3,609,856</u>
NET ASSETS, JUNE 30, 2022	<u><u>\$ 3,285,652</u></u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Functional Expenses

For the Year Ended June 30, 2022

	Program Services	Supporting Services	Fundraising	Total
Expenses:				
Audit	\$ -	\$ 6,400	\$ -	\$ 6,400
Bank charges	2,271	252	-	2,523
Bookkeeping	-	17,931	-	17,931
Contract personnel	41,280	32	-	41,312
Depreciation	902	-	-	902
Dues and subscriptions	8,628	-	-	8,628
In-kind legal services	459,156	-	-	459,156
Insurance	1,788	7,149	-	8,937
Office expense/supplies	10,652	613	-	11,265
Outside services	9,637	597	-	10,234
Payroll benefits	25,997	1,830	4,214	32,041
Payroll service fees	3,721	276	597	4,594
Payroll taxes	27,556	1,941	4,466	33,963
Postage and shipping	1,506	167	-	1,673
Printing and publications	1,208	135	-	1,343
Professional fees	879	-	-	879
Promotion	8,640	-	-	8,640
Rent and parking	81,899	9,099	-	90,998
Retirement contribution	10,385	732	1,683	12,800
Salaries	350,148	24,651	56,755	431,554
Telephone	6,010	668	-	6,678
Training	621	1,292	-	1,913
Travel	2,454	272	-	2,726
Workers' compensation	2,928	218	476	3,622
TOTAL EXPENSES	\$ 1,058,266	\$ 74,255	\$ 68,191	\$ 1,200,712

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER

Statement of Cash Flows
For the Year Ended June 30, 2022

Cash flow from operating activities:	
Change in net assets	\$ (324,204)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	902
Investments losses	527,188
PPP loan forgiven	(78,090)
Changes in operating assets and liabilities:	
Receivables	70,232
Prepaid expenses	2,746
Accrued expenses	355
Deferred revenue	120,941
Deferred rent liability	<u>(11,621)</u>
Net cash provided by operating activities	<u>308,449</u>
Cash flow from investing activities:	
Purchases of equipment	(5,806)
Proceeds from sale of investments	17,210
Purchases of investments	<u>(91,997)</u>
Net cash used in investing activities	<u>(80,593)</u>
Increase in cash	227,856
Cash, July 1, 2021	<u>592,235</u>
CASH, JUNE 30, 2022	<u>\$ 820,091</u>

Supplemental disclosures

Non-cash financing activities:	
PPP loan debt forgiveness	<u>\$ 78,090</u>
Cash paid for:	
Interest	<u>\$ -</u>
Income taxes	<u>\$ -</u>

See notes to financial statements.

CALIFORNIA WOMEN'S LAW CENTER
Notes to Financial Statements
June 30, 2022

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Reporting entity -

The California Women's Law Center (the Center) was established to create a more just and equitable society by breaking down barriers and advancing the potential of women and girls through transformative litigation, policy advocacy and education. To achieve its purpose, the Center provides technical support in these areas to legal service firms and private attorneys, community organizations, governmental agencies and direct service providers in the form of materials, training, amicus briefs, conferences, other aid and advice, and engages in advocacy.

b. Description of Major Program Funds -

The State Bar of California's Equal Access Fund grant promotes the Center's work addressing the unique needs of women veterans and their families.

The State Bar IOLTA grant promotes the Center's work supporting direct legal service providers throughout California.

c. Standards of reporting -

The accompanying financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The Center reports its financial position and activities according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions represents net assets not subject to donor-imposed restrictions and are available to support the Center's activities and operations at the discretion of management and the Board of Directors. Net assets with donor restrictions represents net assets subject to donor-imposed stipulations that are met either by satisfying the stipulation or through the passage of time. When a donor-imposed restriction is met or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions. It is the policy of the Organization to record restricted support as net assets without donor restrictions when the donor-imposed restrictions have been satisfied within the same reporting period. At June 30, 2022, the Center had no net assets with donor restrictions.

d. Use of Estimates -

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management must make estimates based on future events that affect the reported amounts of assets and liabilities, the disclosure of

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2022

contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

e. Revenue recognition -

Contributions and grants are recognized in full when received or unconditionally pledged, in accordance with ASC 958-605, *Not-For-Profit Entities*, Revenue Recognition. All contributions are considered available for unrestricted use unless specifically restricted by donors for future periods or specific purposes.

Other revenue is recognized as revenue when received based on the uncertain nature of the timing and amount.

f. Receivables -

Receivables are stated at the amount management expects to collect from outstanding balances based on an evaluation of uncollected accounts, using the allowance method. There was no allowance balance at June 30, 2022 as management expects all receivables to be fully collectible.

g. Investments -

The Center reports investments in equity securities with readily determinable fair values and all debt securities at fair value. Other investments are carried at cost. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the income and gains are recognized.

h. Property and equipment -

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over five years.

i. Income Taxes -

The Center is a non-profit organization exempt from income taxes under IRC code Section 501(c)(3) and Section 23701(d) of the California Code. There was no impact on the Center's financial statements relating to uncertain tax positions. The Center's tax returns remain subject to examination from the various taxing authorities for up to four years.

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Notes to Financial Statements

June 30, 2022

j. Donated Services -

Contributions of donated non-cash assets are recorded at their fair market values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair market values in the period received.

k. Functional Expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated on the basis of benefits received predominately based on time and effort. Specific expenses that are readily identifiable to a single program or activity are charged directly to that program.

l. Fair value hierarchy -

FASB ASC 820, *Fair Value Measurement* provides guidance for measuring the fair value of assets and liabilities. The objective of a fair value measurement is to determine the price that would be received when selling an asset or paid when transferring a liability. The guidance outlines a fair value hierarchy that gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below.

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly.
- Level 3 - Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

NOTE 2 - INVESTMENTS:

Investments are stated at fair value and are all being measured under Level 1 inputs under the fair value hierarchy. At June 30, 2022 investments consisted of \$1,225,178 of fixed income funds and \$1,524,968 of equity funds. Investment fees of \$17,210 are netted against investment income in the statement of activities.

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2022

NOTE 3 - CONCENTRATION OF CREDIT RISK:

The Center's cash is maintained at various financial institutions. The Center has exposure to credit risk to the extent that its cash exceeds amounts covered by federal deposit insurance. The Center believes that its credit risk, if any, is not significant.

NOTE 4 - GOVERNMENT GRANTS:

The Organization received loan proceeds in the amount of \$78,090 during fiscal year June 30, 2021 under the Federal Payroll Protection Program (PPP). The Organization utilized the funds for qualifying expenses and the \$78,090 was forgiven during fiscal year ending June 30, 2022 and is included in government grant revenue.

NOTE 5 - RETIREMENT PLAN:

The Center participates in a SEP-IRA arrangement under which the Center allows discretionary contributions towards an employee's individual retirement account or annuity (IRA) of up to 8% per year. In order to participate, employees must have one years' service. The Center made contributions of \$12,800 to the plan for the year ended June 30, 2022. In addition, the Center offers a voluntary salary deferral plan under IRC section 403(b).

NOTE 6 - COMMITMENTS:

The Center leases its premises under an operating lease which expires February 2028. The current monthly lease payment is \$7,409. Total rental expense for the year ended June 30, 2022 was \$85,696 including common area maintenance charges. The future annual operating lease commitment is as follows:

<u>Fiscal Year Ending June 30,</u>	
2023	\$ 74,675
2024	76,087
2025	78,370
2026	86,459
2027 and thereafter	<u>163,378</u>
Total	<u>\$ 478,969</u>

CALIFORNIA WOMEN'S LAW CENTER

Notes to Financial Statements

June 30, 2022

NOTE 7 - LIQUIDITY:

The following reflects the Center's financial assets as of the statement of financial position date.

Financial assets available to meet cash needs for general expenditures within one year, at June 30, 2022	<u>\$ 3,603,430</u>
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As part of the Center's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 8 - SUBSEQUENT EVENTS:

Management has evaluated subsequent events through January 4, 2023, the date on which the financial statements were available to be issued.